

strategycorps 

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REINVENTING BUSINESS CHECKING

Ron Shevlin,
Chief Research Officer



Cornerstone
ADVISORS

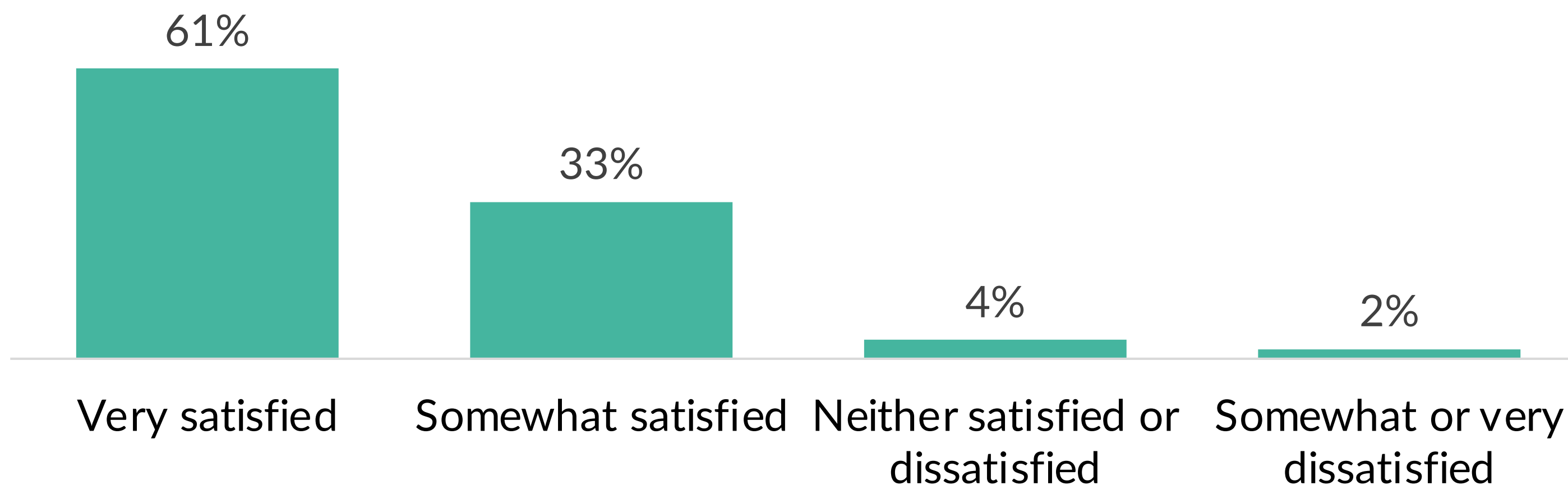
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#1: SATISFIED, YET OPEN TO NEW RELATIONSHIPS

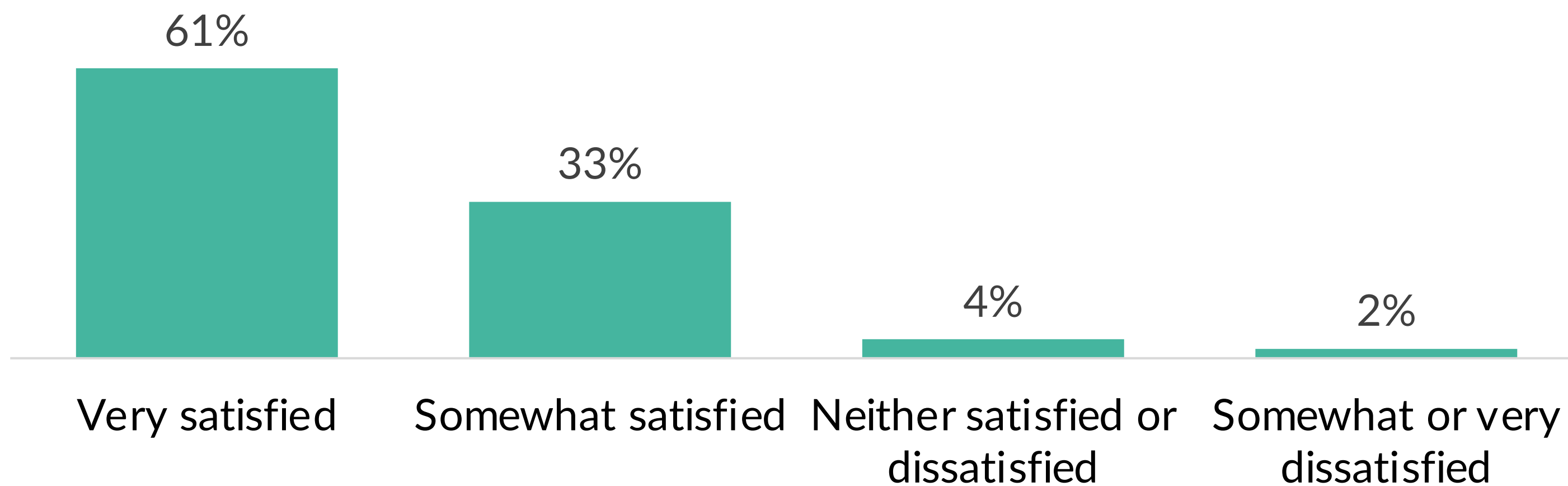
Satisfaction with the quality of services provided by primary business checking account provider



Yet, two-thirds of SMBs are somewhat or very likely to look for new banking relationships in the next 12 months

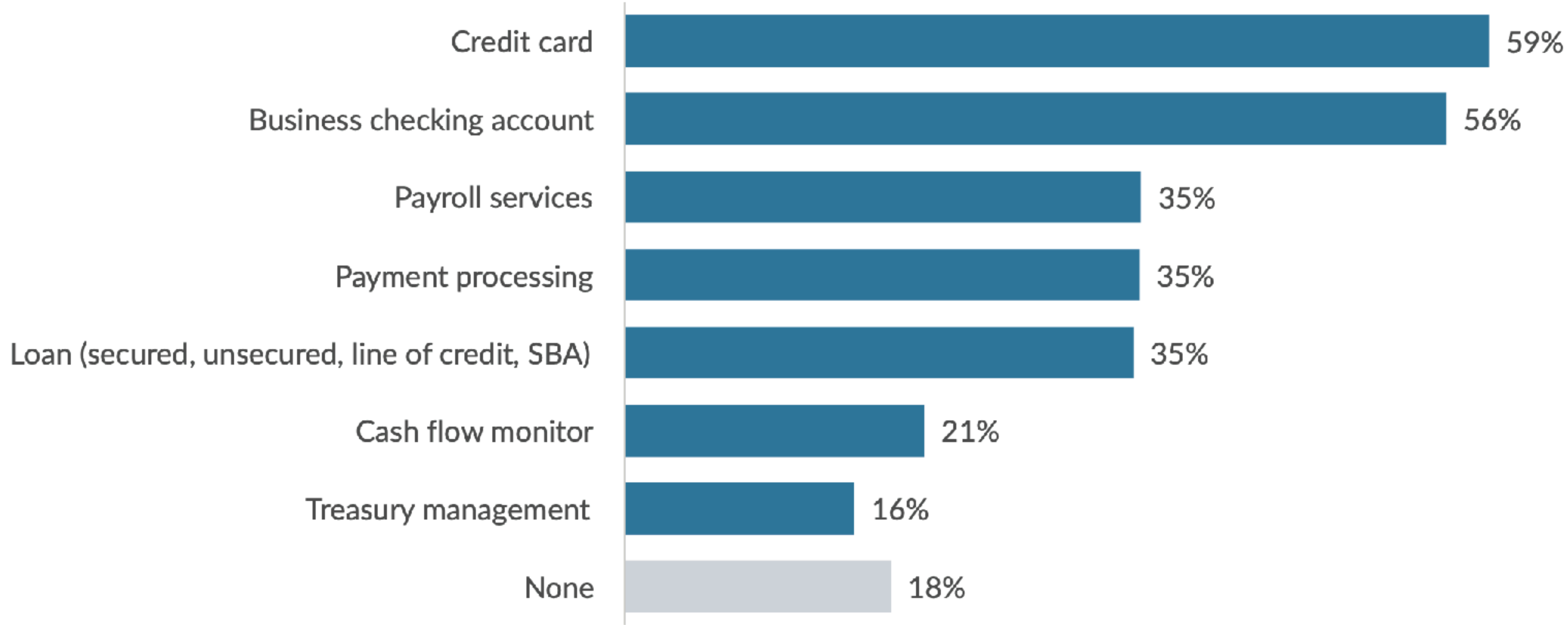
#1: SATISFIED, YET OPEN TO NEW RELATIONSHIPS

Satisfaction with the quality of services provided by primary business checking account provider



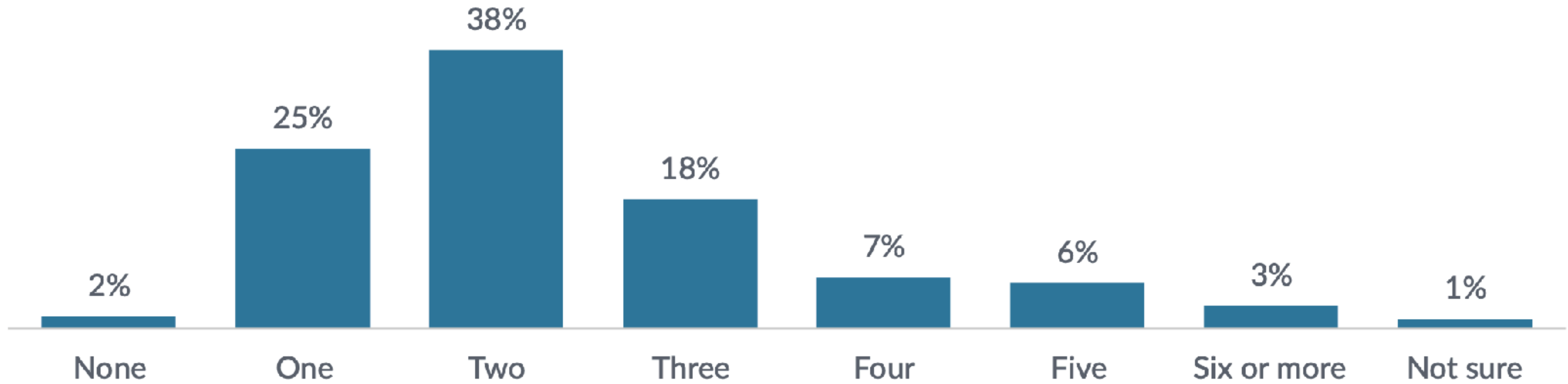
Yet, two-thirds of SMBs are somewhat or very likely to look for new banking relationships in the next 12 months

Which of the following banking products or services has your business opened since the beginning of 2022?



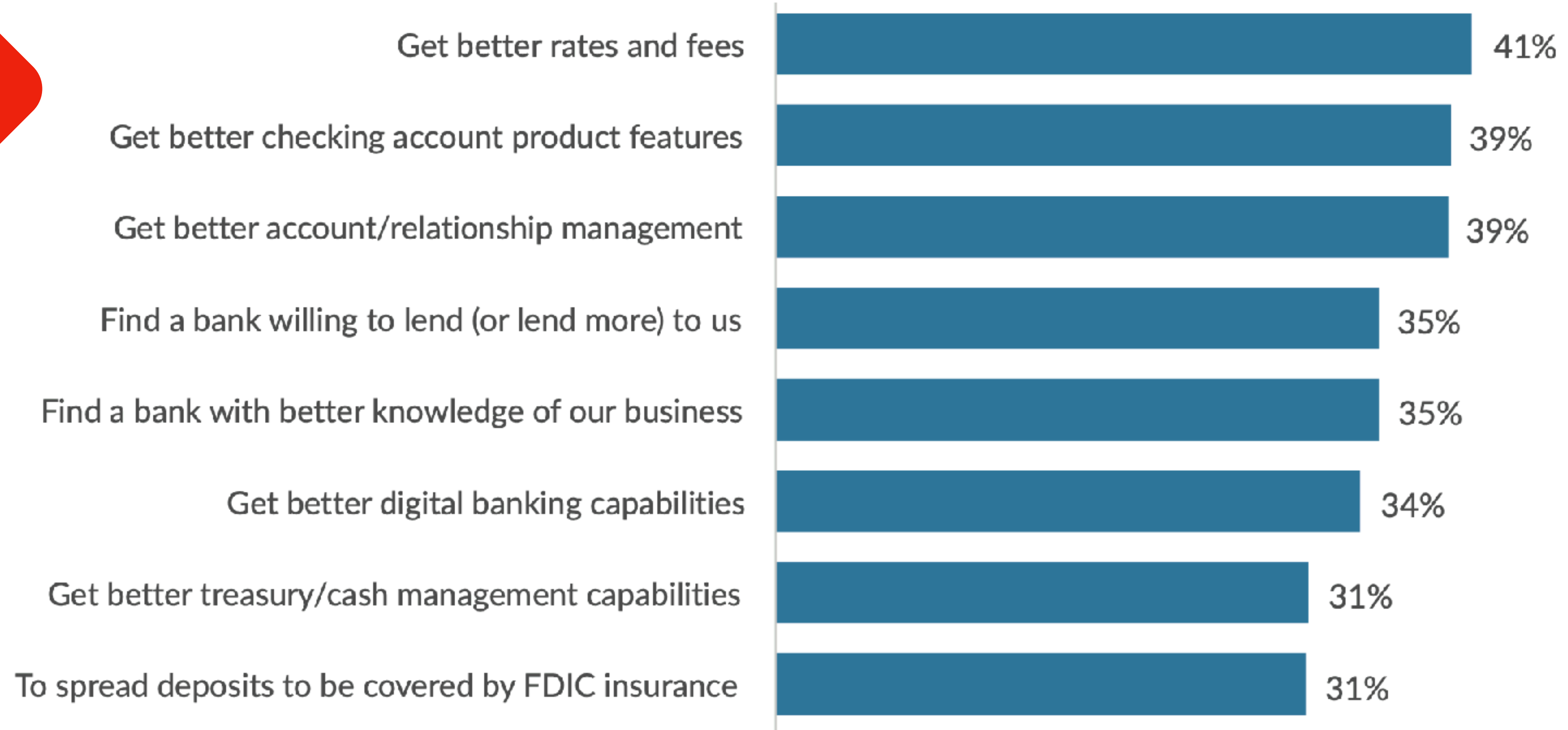
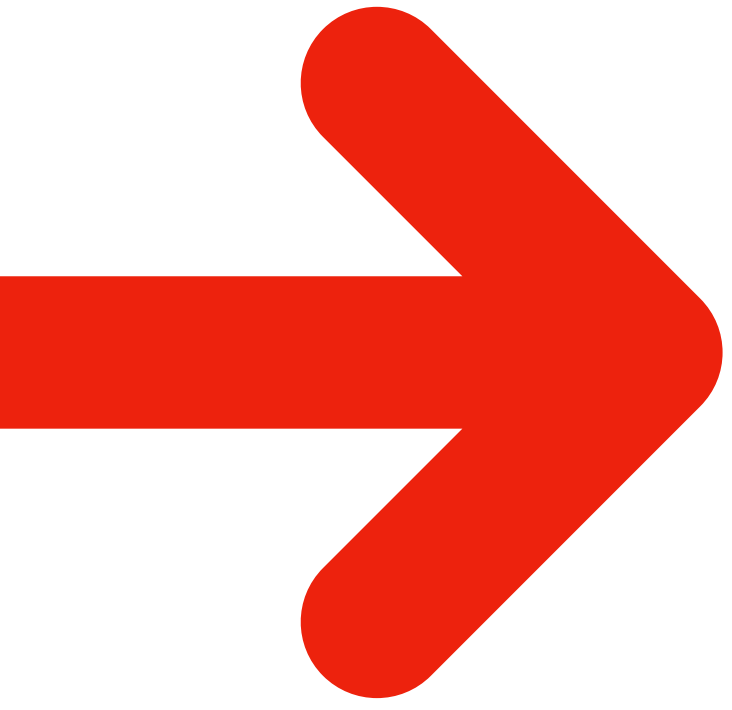
Source: Cornerstone Advisors survey of 1,009 small to medium-size business owners and executives, March 2023

Number of Deposit Relationships



Source: Cornerstone Advisors survey of 1,009 small to medium-size business owners and executives, March 2023







Why would your business consider a new banking relationship?



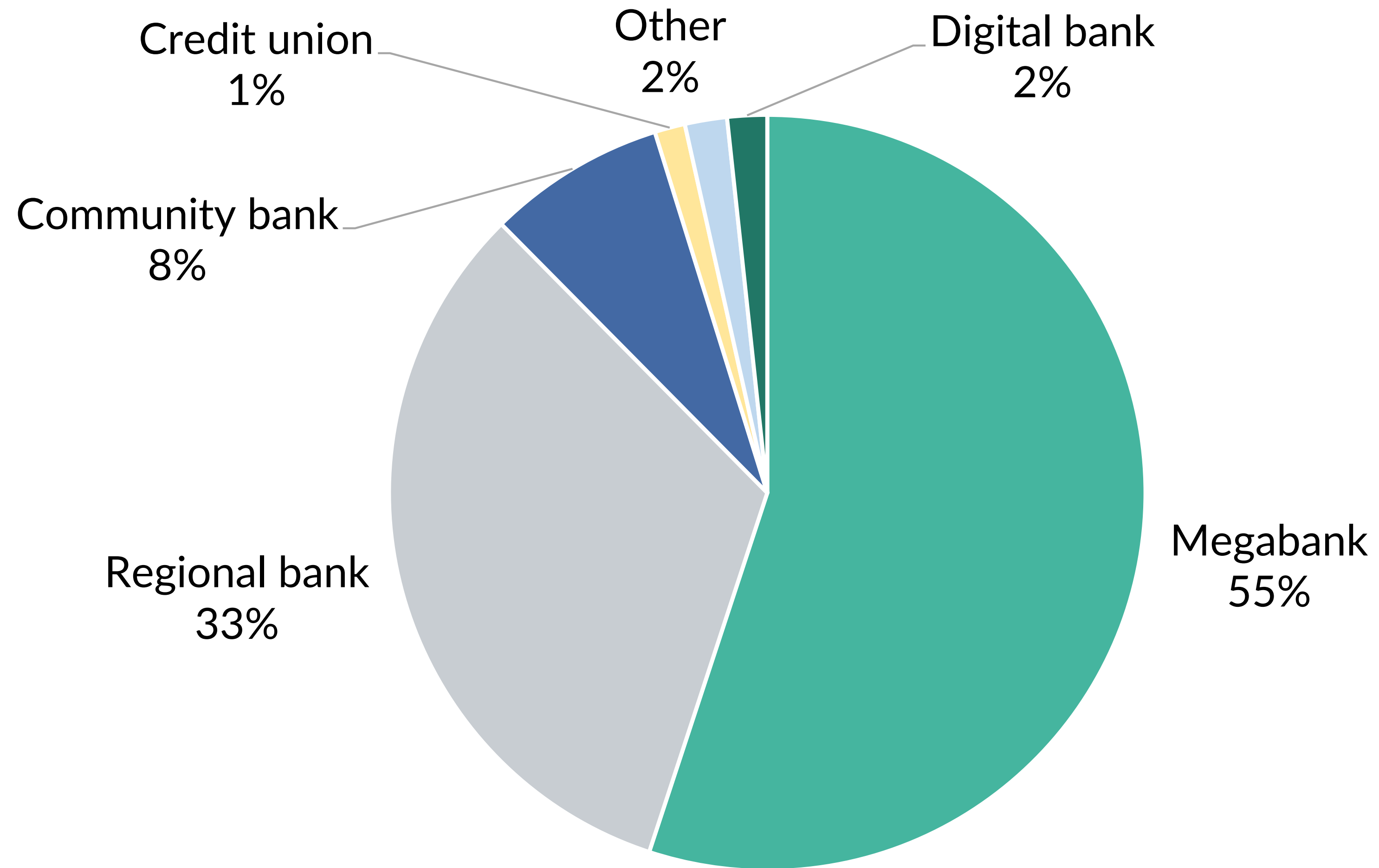
Source: Cornerstone Advisors survey of 1,009 small to medium-size business owners and executives, March 2023

	Business Advantage Fundamentals™ Banking	Business Advantage Relationship Banking
Second Business Advantage Banking account	\$16/month	\$0/month
Business Advantage Savings account ^[10]	\$10/month	\$0/month
Incoming wires, stop payments and more	Fees vary	\$0/month
Account Management capabilities ^[11]	\$0/month	\$0/month
Teller transactions and checks written with no fee	200 transactions/month	500 transactions/month
Monthly fee	\$16 or \$0	\$29.95 or \$0
Avoid monthly fee by meeting one of the following requirements each statement cycle, or become a Preferred Rewards Business member ^[4]	Maintain a \$5,000 combined average monthly balance ^[12] Spend at least \$250 in new net qualified debit card purchases ^[13]	Maintain a \$15,000 combined average monthly balance
Powerful digital tools	Dedicated support	Preferred Rewards for Business

Improve efficiency and complete daily tasks easier with these tools.

 <p>Profile linking</p> <p>Easily view and manage personal and business accounts with just one login.</p>	 <p>Zelle® for your business</p> <p>A fast, safe and easy way for businesses to send, request and receive money directly between eligible bank accounts in the U.S.^[7]</p>	 <p>Cash Flow Monitor^[5]</p> <p>Get cash flow projections, monitor transactions and view category balances.</p>
 <p>Account Management^[11]</p> <p>Power to grant customized access to additional users, to either view or transact from their accounts</p>	 <p>Erica®^[14]</p> <p>Your virtual financial assistant can help transfer or send money, search transactions & more.</p>	 <p>Digital debit cards^{[15] [16]}</p> <p>Start using your debit card immediately for in-store and digital purchases.</p>

What type of institution does your company have its primary checking account with?





CheckingScore

Identify who is a primary customer or member and who isn't. Benchmark your current checking performance. Discover actionable insights to implement a strategy to optimize checking performance and consumer connection.

[Learn More](#)

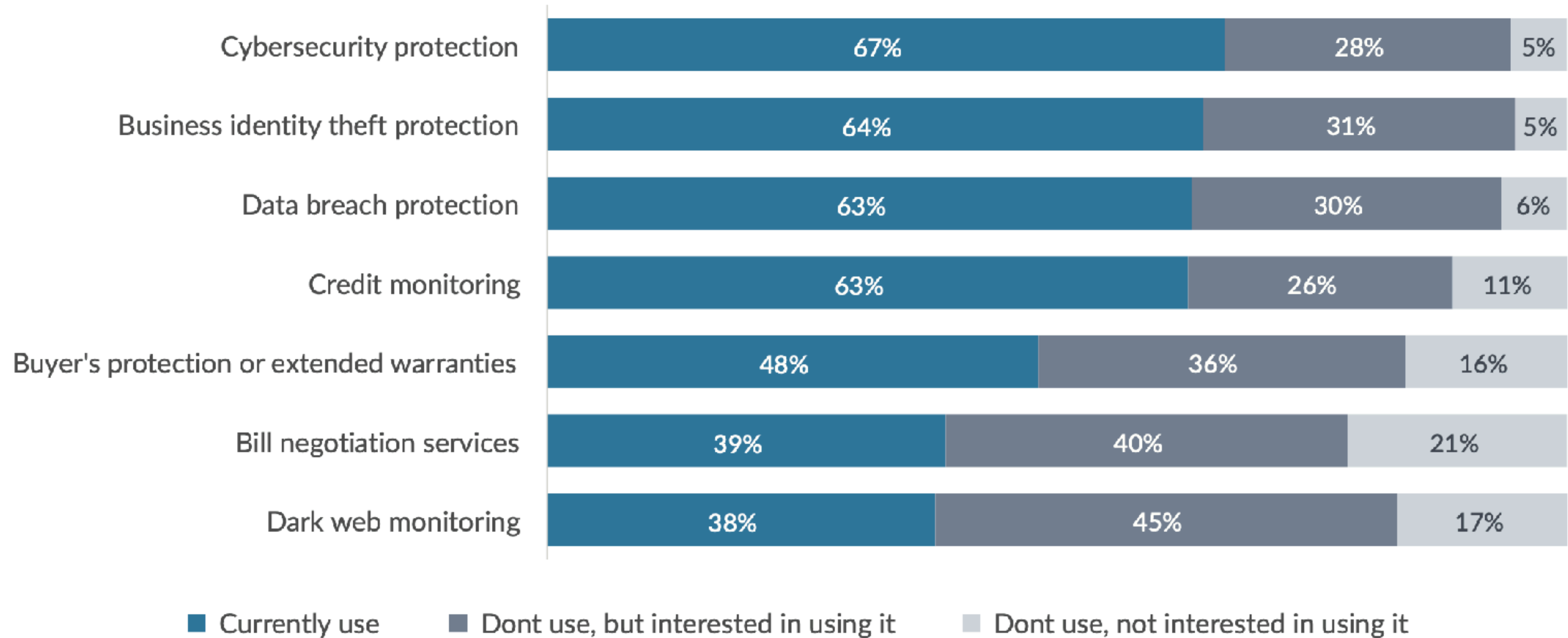


BaZing

Our customizable, white-label mobile rewards app brings modern, in-demand, mobile-first benefits to your checking account lineup. The result? Digital engagement like none you've ever seen and the ability to unlock the subscription revenue pricing customers prefer.

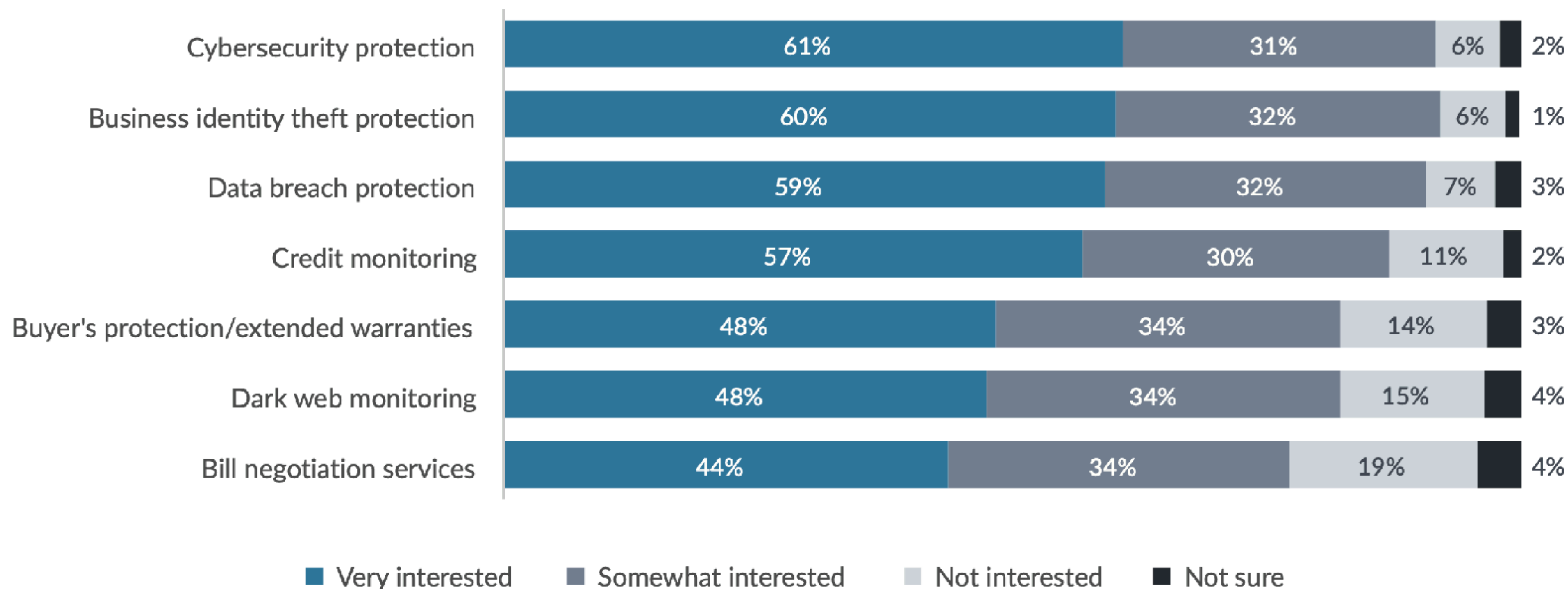
[Learn More](#)

Which of the following services does your company currently use?



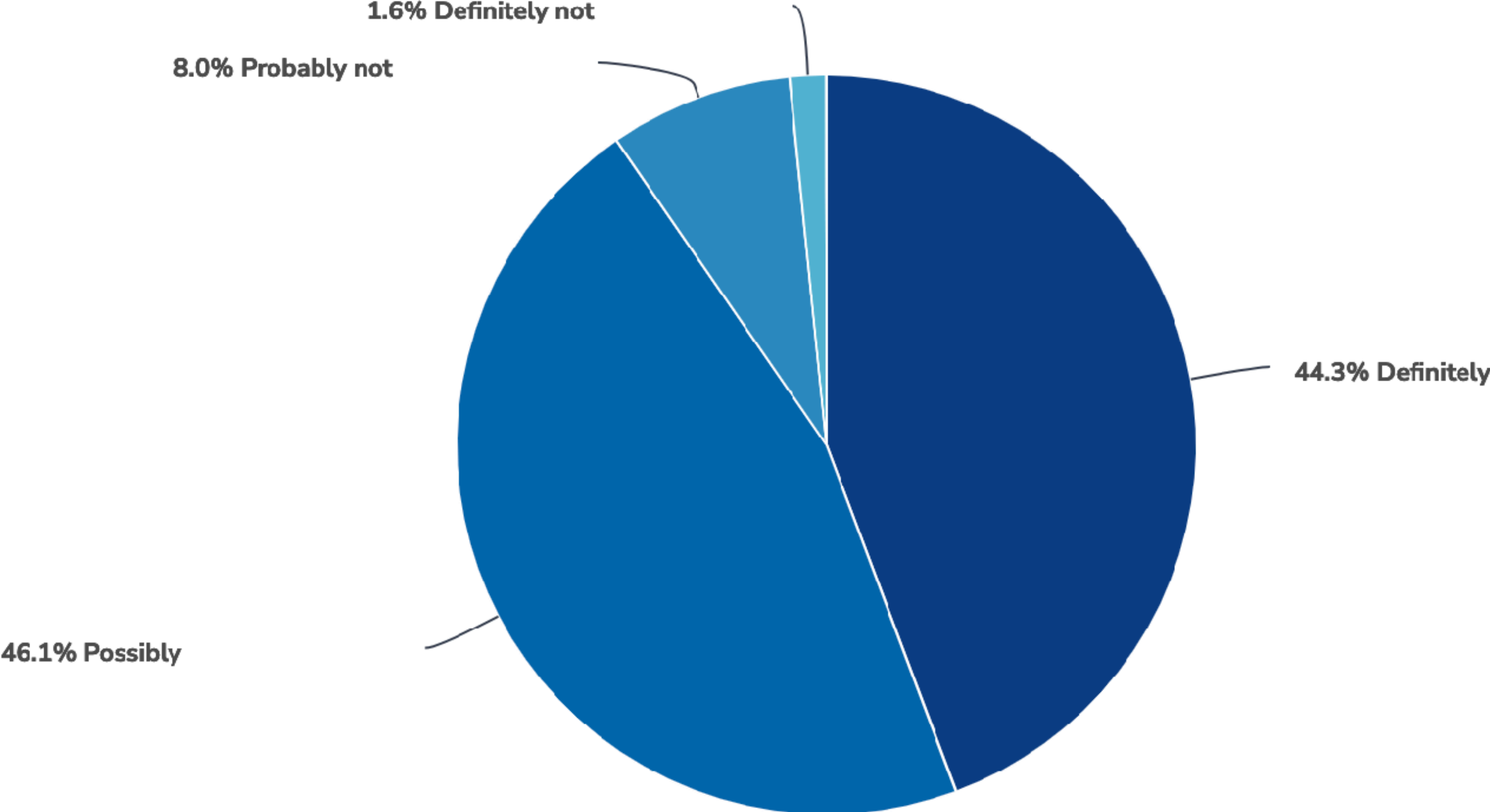
Source: Cornerstone Advisors survey of 1,009 small to medium-size business owners and executives, March 2023

How interested is your company in obtaining the following services if they were bundled into your business checking account?



Source: Cornerstone Advisors survey of 1,009 small to medium-size business owners and executives, March 2023

16. If a bank provided your company with a free employee benefits perks package--for example, cell phone damage protection, identify theft protection, roadside assistance, bill negotiation, fuel savings, and health savings cards--would that influence your choice of the next bank your company selected?





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The Dave DeFazio
Small Biz
Pop Quiz

“Typical Community Bank”

\$6 Billion Assets

18,674 small business accounts

Average Checking Balance	Percentage of Total Accounts	Percentage of Total Checking Balances
Less than \$1,000	19.95%	0.06%
Less than \$2,500	30.85%	0.24%
Less than \$5,000	41.42%	0.63%

“Typical Community Bank”

	Number of Accounts	% of Debit Card Transactions	% of Interchange Revenue	Average Interchange per Transaction
Consumer Checking Accounts	102,962	97%	80%	\$0.31
Business Checking Accounts	19,098	3%	20%	\$2.17

How often does your company use the debit card associated with its primary business checking account?

	SMB's Primary Provider		
	Megabank	Regional Bank	Community Bank
Every week	69%	70%	25%
Couple of times a month	19%	14%	10%
Once a month	2%	3%	3%
Few times a year	3%	3%	9%
Never (or practically never)	6%	11%	53%

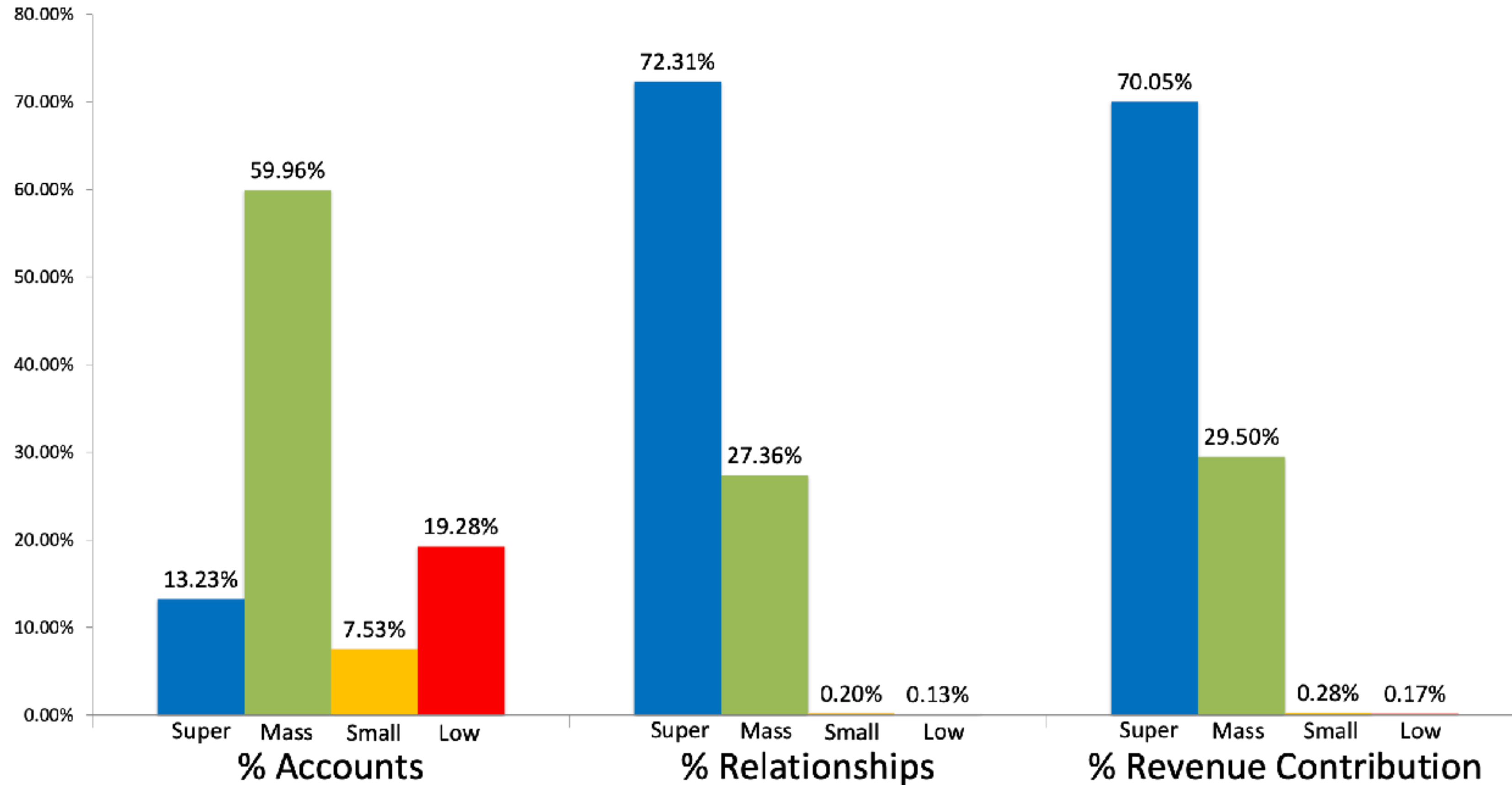
Source: Cornerstone Advisors survey of 1,009 small to medium-size business owners and executives, March 2023

Why doesn't your company use the debit card associated with its primary checking account more often?

	Primary Provider		
	Megabank	Regional Bank	Community Bank
Prefer to use a credit card	57%	47%	40%
Prefer to write checks	26%	26%	55%
Prefer to use ACH or wire transfers	25%	28%	25%
Prefer to use P2P tools	24%	22%	5%
It doesn't offer rewards	17%	20%	5%
Don't want employees to use the card	14%	23%	15%
It's not convenient to use the card	11%	16%	10%

Source: Cornerstone Advisors survey of 1,009 small to medium-size business owners and executives, March 2023

A1 - Relationship Spotlight



Column #	A	B	C	D	E	F	G	H	I
Segment	# Accounts	% Accounts	Peer Comparison	\$ Relationships	% Relationships	Peer Comparison	\$ Revenue Contribution	% Revenue Contribution	Peer Comparison
Super	2,527	13.23%	11.23%	\$3,386,993,057	72.31%	67.89%	\$113,410,100	70.05%	59.49%
Mass	11,451	59.96%	53.22%	\$1,281,818,168	27.36%	30.46%	\$47,764,395	29.50%	37.45%
Small	1,438	7.53%	8.40%	\$9,235,552	0.20%	0.69%	\$445,419	0.28%	1.32%
Low	3,682	19.28%	27.15%	\$6,112,239	0.13%	0.97%	\$282,566	0.17%	1.74%
Totals	19,098	100.00%	100.00%	\$4,684,159,016	100.00%	100.00%	\$161,902,481	100.00%	100.00%

A2 Small Business - Relationship Segment Spotlight

	A	B	C	D	E
Row					
		Super	Mass	Small	Low
1	Total Accounts	1,634	9,375	1,310	3,443
2	Relationship Statistics	Totals Average	Totals Average	Totals Average	Totals Average
3	Account Balances	\$240,134,498 \$146,961	\$402,885,270 \$42,974	\$7,819,734 \$5,969	\$5,466,780 \$1,588
4	Relationship Deposits	\$149,592,728 \$91,550	\$69,892,685 \$7,455	\$180,029 \$137	\$96,795 \$28
5	Relationship Loans	\$1,290,687,519 \$789,894	\$458,900,307 \$48,949	\$172,111 \$131	\$27,492 \$8
6	Total Relationships	\$1,680,414,745 \$1,028,406	\$931,678,261 \$99,379	\$8,171,874 \$6,238	\$5,591,067 \$1,624
7	Revenue Statistics	Totals Average	Totals Average	Totals Average	Totals Average
8	Total Account Income (NII + Fees + NSF)	\$8,520,856 \$5,215	\$17,265,126 \$1,842	\$392,251 \$299	\$256,168 \$74
9	Relationship Deposit NII	\$5,026,316 \$3,076	\$2,348,394 \$250	\$6,049 \$5	\$3,252 \$1
10	Relationship Loan NII	\$43,367,101 \$26,540	\$15,419,050 \$1,645	\$5,783 \$4	\$924 \$0
11	Total Income	\$56,914,272 \$34,831	\$35,032,571 \$3,737	\$404,083 \$308	\$260,344 \$76
12	Account Statistics	Super	Mass	Small	Low
13	Have More Than One Account	1,538 94.12%	5,304 56.58%	360 27.48%	459 13.33%
14	Have a Debit Card	106 6.49%	3,117 33.25%	552 42.14%	905 26.29%
15	Debit Card Trans (month)	962 0.59	61,889 6.60	3,184 2.43	1,710 0.50
16	Have a Relationship Deposit	692 42.35%	1,525 16.27%	65 4.96%	64 1.86%
17	Have a Relationship Loan	1,238 75.76%	2,844 30.34%	30 2.29%	8 0.23%
18	Have Both a Deposit and Loan	429 26.25%	439 4.68%	1 0.08%	0 0.00%
19	Average Age of Account	6.1	7.5	6.9	6.4
20	Average Checking Score	\$298,457	\$8,078	\$366	\$84

To what extent would you agree with the following statements about your company's primary bank?

(% responding "to a great extent")

	SMBs "Very Satisfied" with Primary Checking Account Provider	SMBs "Somewhat Satisfied" with Primary Checking Account Provider
Make it easier to manage my company's finances	78%	37%
Provide products/services that meet our preferences and needs	75%	39%
Protect and secure my company's finances and assets	73%	46%
Protect us from fraudulent activity	71%	42%
Reduce the stress of managing my company's finances	71%	29%
Are there when we need help managing our finances	70%	38%
Protect my company's data	67%	40%
Help us feel more prepared to manage our finances	66%	41%
Protect us from cyberthreats	59%	32%

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